



# Report on the State of Our Union

*Energy and the Environment*



Senate Democratic Communications Center  
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# The State of Our Union

## Energy and the Environment

In his last six State of the Union addresses, President Bush promised Americans new ideas on energy. Unfortunately, under Bush, America is more dependent on oil, especially foreign oil, electricity costs have skyrocketed, and the problem of global warming, something the President has failed to even acknowledge, is years, not eons, away. Americans need a new direction for our national energy policy. This year, Democrats call on the President to join us in enhancing America's security by reducing the nation's dependence on foreign and unsustainable energy sources and to work with us in tackling the risks of global warming by requiring reductions in greenhouse gas emissions.

### ***Broken State of the Union Promises***

**2006: Bush Announced an Advanced Energy Initiative That He Claimed Would Replace 75% of Imports and Drastically Increase Clean Energy Funding.** In 2006, President Bush said, "So tonight, I announce the Advanced Energy Initiative -- a 22-percent increase in clean-energy research -- at the Department of Energy, to push for breakthroughs. Our goal is to make this new kind of ethanol practical and competitive within six years. Breakthroughs on this and other new technologies will help us reach another great goal: to replace more than 75 percent of our oil imports from the Middle East by 2025. By applying the talent and technology of America, this country can dramatically improve our environment, move beyond a petroleum-based economy, and make our dependence on Middle Eastern oil a thing of the past." [[State of the Union, 2006](#)]

### **But His Initiative Lacked Energy and Initiative.**

- **Oil Import Costs Skyrocketed in 2006.** Americans spent \$243 billion in the 2005 on petroleum imports and will spend about \$274 billion in 2006. Petroleum will make up about one third of the total trade deficit. Americans have already sent \$103 billion to OPEC countries for imports of crude oil. (U.S. Census Bureau, *U.S. International Trade in Goods and Services June 2006, Exhibits 17 and Supplement Exhibit 3*, 1/9/07)

**2005: Bush Claimed to Support Conservation, Alternative Sources, and Decreased Dependence.** In 2005, President Bush said, "Nearly four years ago, I submitted a comprehensive energy strategy that encourages conservation, alternative sources, a modernized electricity grid, and more production here at home -- including safe, clean nuclear energy. And my budget provides strong funding for leading-edge technology -- from hydrogen-fueled cars, to clean coal, to renewable sources such as ethanol. Four years of debate is enough: I urge

Congress to pass legislation that makes America more secure and less dependent on foreign energy.” [\[State of the Union, 2005\]](#)

**But Americans Were Left with High Levels of Dependence and an Ever Growing Number of Environmental Problems.**

- **More than 10% Increase in Foreign Dependence.** America’s dependence on foreign oil has increased from 58 percent in 2000 to 66 percent in 2005. In August 2006, imports represented 61.5 percent of the oil consumed in the United States, 725,000 barrels per day more than imports in August 2005. (EIA, U.S. Weekly Petroleum Product, 4-Week Averages)
- **Changing Ocean Acidity Having ‘Major Negative Impacts’ on Corals and Marine Life.** A NOAA study released in April 2006 confirmed studies conducted in the 1990s showing that rising temperatures are increasing the daily uptake of carbon dioxide by oceans and changing the acidity of seawater, leading to “major negative impacts” on corals and other marine life. NOAA researchers say ocean chemistry is changing at least 100 times more rapidly than it has during the 650,000 years preceding the industrial era. At current levels of carbon dioxide emissions, NOAA computer models project that surface ocean pH would be lower at the end of this century than it has been for more than 20 million years. (NOAA Testimony before the Senate Commerce Committee 4/26/06; NSF, NOAA, and USGS, *Impacts of Ocean Acidification on Coral Reefs and Other Marine Calcifiers* 6/06; NOAA *Impacts of Anthropogenic CO2 on Ocean Chemistry and Biology* 10/6/05)

**2004: President Bush Urged Congress to Promote Conservation and Decrease American Dependence.** In 2004, President Bush said, “Consumers and businesses need reliable supplies of energy to make our economy run -- so I urge you to pass legislation to modernize our electricity system, promote conservation, and make America less dependent on foreign sources of energy.” [\[State of the Union, 2004\]](#)

**But He Offered No Help To American Consumers.**

- **Oil Company Profits Set Records.** Even as Americans face higher and higher energy prices, the top five oil companies reported a record \$111 billion profit in 2005. With \$92 billion reported for the first nine months of 2006, they are on track to break their record in 2006. At the same time, oil companies have not increased their capital investment and exploration budgets at nearly the rate their cash on hand has increased since 2001. (Based on ExxonMobil, Shell, BP, ChevronTexaco, and ConocoPhillips company financial reports; Congressional Research Service Memorandum 7/5/06)

- **The Economic Impacts of Climate Change Will Cost Americans Significantly.** According to a review by former World Bank economist Nicholas Stern, the costs of dealing with the impacts of a changing climate could cost 20 percent of the world's GDP. Effects of climate change could include falling crop yields in developing countries, significant decreases in water availability in many areas, rising sea levels, and more frequent and intense extreme weather events, all leading to population dislocation. The review found that investment of one percent of the world's GDP annually could eventually stabilize greenhouse gas concentrations. (Stern Review 10/30/06)

**2003: Bush Forecasted a Hydrogen Future to Improve the Environment.** In 2003, President Bush said, "Our third goal is to promote energy independence for our country, while dramatically improving the environment. I have sent you a comprehensive energy plan to promote energy efficiency and conservation, to develop cleaner technology, and to produce more energy at home. Tonight I'm proposing \$1.2 billion in research funding so that America can lead the world in developing clean, hydrogen-powered automobiles." [[State of the Union, 2003](#)]

**But There Has Been No Short Term Progress on This Long Term Solution.**

- **The President's Budgets Have Not Funded the Energy Independence or Alternate Sources He Promised.** Despite numerous pledges to do so, the President has not dramatically increased funding to develop alternative energy sources. Although the President touted his proposed funding increases in research and development of solar and wind technologies last year, his budget achieves this not by increasing overall funding but by eliminating funding for research into improvements in two other renewable sources, geothermal and hydropower. The "Advanced Energy Initiative" provided only a \$41 million increase for hydrogen and fuel cell technology research, a \$29 million increase for biomass research funding including cellulosic ethanol, and a \$17 million cut to vehicle technologies research. Overall, the President's budget provides only 54 percent of the authorized funding level for renewable energy research and development and an overall cut of \$26 million to energy efficiency and renewable energy research. (*President's Budget, FY 2007*)
- **A Lack of Clean Technology Leads to the Arctic Permanent Ice Cap Melting At An 'Alarming' Rate.** "The maximum amount of sea ice in the Arctic winter has fallen by six percent over each of the last two winters, as compared to a loss of merely 1.5 percent per decade on average annually since the earliest satellite monitoring in 1979. 'This amount of Arctic sea ice reduction the past two consecutive winters has not taken place before during the 27 years satellite data has been available,' said Joey Comiso, a research scientist at NASA's Goddard Space Flight Center, Greenbelt,

Md. ‘In the past, sea ice reduction in winter was significantly lower per decade compared to summer sea ice retreat. What’s remarkable is that we’ve witnessed sea ice reduction at six percent per year over just the last two winters, most likely a result of warming due to greenhouse gases.’” (NASA Press Release 9/13/06)

**2002: Bush Said Energy Must Be Made More Affordable.** In 2002, President Bush said, “Good jobs also depend on reliable and affordable energy. This Congress must act to encourage conservation, promote technology, build infrastructure, and it must act to increase energy production at home so America is less dependent on foreign oil.” [[State of the Union, 2002](#)]

#### **But Under Bush Prices Have Climbed.**

- **Heating Costs Have Increased 64 Percent.** The average household will spend \$902 for heating this winter, an increase of \$351 or 64 percent since the winter of 2001-2002. Many Americans face much larger cost increases. The 32 percent of Northeastern households that use heating oil have seen heating costs rise by 105 percent, and the 79 percent of Midwestern households using natural gas are paying 95 percent more for heat. (*Short Term Energy Outlook*, 1/9/07)
- **Affordable Energy? Not With Gas Prices 86% Higher.** Prices at the gas pump jumped 86 percent from \$1.53 per gallon in the summer of 2001 to \$2.84 this summer, and national prices were at least \$3.00 per gallon for four weeks. The average household with children will spend about \$3,687 on transportation fuel costs this year, an increase of 94 percent or \$1,784 over 2001 costs. (Energy Information Administration, *Short Term Energy Outlook*, 1/9/07; *Household Vehicle Energy Use: Latest Data and Trends* 11/05)

**2001: President Bush Said America Must Produce More Energy, Protect the Environment, and Become Energy Independent.** In 2001, President Bush said, “We can produce more energy at home while protecting our environment, and we must. We can produce more electricity to meet demand, and we must. We can promote alternative energy sources and conservation, and we must. America must become more energy-independent, and we will.” [[State of the Union, 2001](#)]

#### **But He Didn’t Follow Through.**

- **Electricity Costs Are 20% Higher than in 2001.** The Administration estimates that electricity prices for 2006 were 10.2 percent higher than 2005. They are 20 percent higher than costs in 2001. (EIA *Short Term Energy Outlook*, 10/10/06)

- **Marginal Increases in Energy Production Come at the Expense of the Environment.** Annual U.S. emissions of carbon dioxide have increased by 354 million tons since 2001. Analysis of ice cores show that current atmospheric concentrations of carbon dioxide—380 parts per million—are 27 percent higher than the highest levels found in the last 650,000 years. Concentrations are likely higher now than at any time during the past 20 million years. (Scientific American Magazine 11/28/05; IPCC 2001)

***IN THIS YEAR'S STATE OF THE UNION ADDRESS, PRESIDENT BUSH SHOULD JOIN DEMOCRATS IN WORKING FOR ENERGY INDEPENDENCE AND SECURITY***

Democrats have a strategy to make America more energy independent and secure by the year 2020. With **S. 6, the *National Energy and Environmental Security Act***, as our starting vision, we will work to pass legislation that will enhance America's security by reducing the nation's dependence on foreign and unsustainable energy sources and the risks of global warming by requiring reductions in greenhouse gas emissions, by diversifying and expanding our use of secure, efficient, and environmentally friendly energy supplies and technologies, by repealing tax giveaways to big energy companies, by reducing the burdens on consumers of rising energy prices, and by preventing energy price gouging, profiteering and market manipulation.

Senate Majority Leader Reid, Commerce Committee Chairman Daniel Inouye, Finance Committee Chairman Max Baucus, Energy Committee Chairman Jeff Bingaman, Agriculture Committee Chairman Tom Harkin, Homeland and Government Affairs Committee Chairman Joe Lieberman, and Environment and Public Works Committee Chairman Barbara Boxer announced that their Committees would begin working right away on new legislation to begin to deliver results for the American people. The new Democratic Congress is committed to changing course, delivering results, and taking America in a new direction.